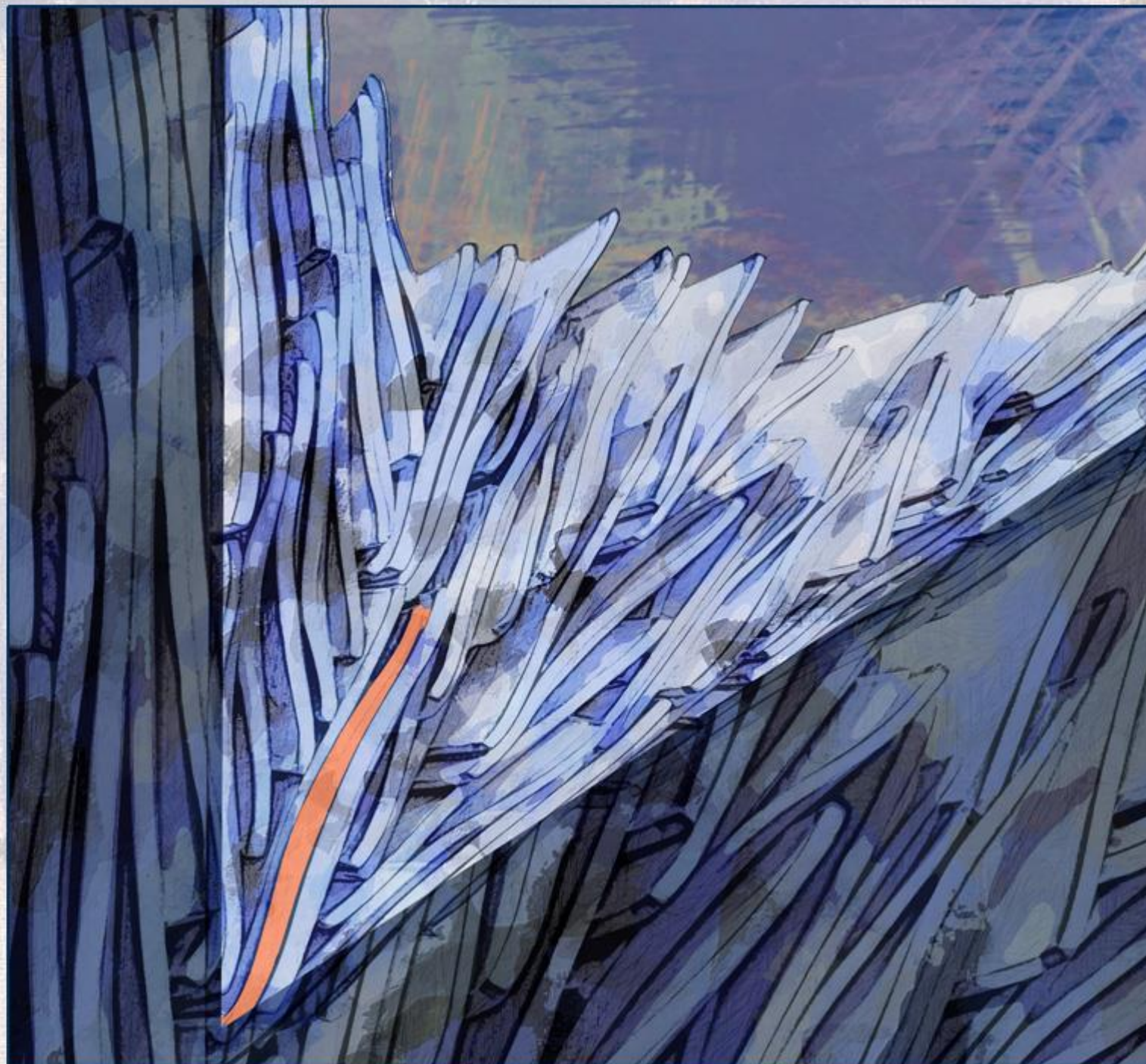




NIRA

annual report 2015



The power of nature

Robert Piccart 2016

Annual Report 2015
of the Board of Directors and of the
Statutory Auditor to be presented at
the Annual General Meeting
on 28 April 2016

The company (Mutual association) is incorporated in Luxembourg on December 11th 2008 and governed by the modified Law of December 6th 1991 on the insurance sector and the Grand-Ducal Regulation dated December 5th 2007 issued by the Commissariat aux Assurances and is authorised by l'arrêté ministeriel of March 30th 2009 to do reinsurance.

Registered Office:
14, Syrdallstrooss, L-6850 Manternach, Luxembourg

Tel. +352 267 10 031
Fax +352 263 83 135

Financial Highlights

in Euro

Statement of Earnings	2015	2014	2013	2012	2011
Net Premium Earned	5.395.841	5.465.573	5.681.504	6.225.667	6.090.821
Claims	-1.029.188	51.700	194.243	-4.270.023	-4.587.686
Rebates	0	0	0	38.472	80.508
Expenses and Taxes	-850.544	-732.112	-663.573	-616.704	-624.028
Net Investment Result	822.616	1.667.735	226.644	3.826.109	621.001
	-----	-----	-----	-----	-----
Earnings before allocation to the equalisation provision	4.338.726	6.452.897	5.438.818	5.203.521	1.580.616
	-----	-----	-----	-----	-----
Balance Sheet					
Assets	79.565.943	73.690.702	69.614.931	66.506.102	59.797.754
Liabilities	-42.725.941	-36.850.700	-32.774.928	-29.676.100	-22.967.752
	-----	-----	-----	-----	-----
Guarantee fund	36.840.002	36.840.002	36.840.002	36.830.002	36.830.002

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Members

NIRA m.a.

AB SVAFO
AREVA NC
Axpo Power AG
Axpo Trading AG
Belgoprocess NV
BKW Energie AG
British Energy Ltd
Bruce Power Inc
Centrales Nucléaires en Participation SA (CNP)
ČEZ a.s.
E.ON Kernkraft GmbH
EDF
EnBW Energie Baden Württemberg AG
EnBW Kernkraft GmbH
Energy Future Holdings Corp.
EPZ NV
Eskom Holdings Ltd
Eurodif Production SA
FBFC
Forsmarks Kraftgrupp AB
Fortum Power & Heat Oy

Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN)
Gesellschaft für Nuklear Service mbH (GNS)
Kernkraftwerk Gösgen-Däniken AG
Kernkraftwerk Leibstadt AG
Kernkraftwerk Obrigheim GmbH
MMV Paks Nuclear Power Plant Ltd
New Brunswick Power Corporation
OKG Aktiebolag
Ontario Power Generation (OPG)
Ringhals AB
RWE Power AG
SCK•CEN
SKB
Slovenské Elektrárne AS
Socatri SARL
Studsvik AB
Sydkraft Nuclear Power AB
Teollisuuden Voima Oyj (TVO)
Union Electric Company d/b/a Ameren Missouri
URENCO Ltd
Vattenfall Europe Nuclear Energy GmbH
Zwischenlager Würenlingen AG

Board of Directors

Gert Jan Geertsema

Chairman

Klaus Greimel

Vice-Chairman

Kathleen Sinclair

Vice-Chairman

José Luis Carbonell

Ann Geivaerts

Václav Hronek

Rafael Jiménez-Shaw

Winfried Maus

Daniel Vanwelkenhuyzen

Advisory Committees

Underwriting Committee

Daniel Vanwelkenhuyzen	<i>Chairman</i>
Eric Desseyn	
Ann Geivaerts	
Mika Kautonen	
Berndt Kockum	
Maria Laguna	
Kathleen Sinclair	
Zuzana Šípošová	

Finance and Investment Advisory Committee

Rafael Jiménez-Shaw	<i>Chairman</i>
Lauri Piekari	
Annemie Roefs	
Marleen Vercammen	

Audit Committee

José Luis Carbonell
Gert Jan Geertsema
Winfried Maus

Chairman

Internal Auditor

Willy Gemis

Management

Management Committee

Daniel Vanwelkenhuyzen
Ann Geivaerts
Maria Laguna
Annemie Roefs
Marleen Vercammen

Staff

Daniel Vanwelkenhuyzen
Ann Geivaerts
Maria Laguna
Solange Raë
Annemie Roefs
Marleen Vercammen

Letter from the Chairman

Dear Members,

It is my pleasure to present to you the annual accounts of NIRA m.a. for the year 2015 and the outlook for 2016. This was the seventh year of operation in Luxembourg.


In general, the operating activities of our mutual have developed in 2015 according our expectations. The gross premiums written were some 13% higher than the year before however due to various provisions the net earned premiums were about the same as in 2014. Due to considerable changes in the IBNR figure and the net investment income, the net earnings before distribution to the reserve for equalization and catastrophes were some 30% lower than the previous year and ended on € 4.338.700. In perspective with our history this is a very good result.

The total assets increased to € 73.755.300, an increase of some 7% compared with the year 2014. The total funds by the end of December 2015 amount to € 71.343.900 (in 2014: € 66.491.800) in comparison to the € 36.000.000 at the moment of creation of the mutual eight years ago.

The Board and the Underwriting Committee have worked further on the question how to develop the re-insurance business of our mutual in the future and how to maintain the annual re-insurance premium income satisfactory. It was decided that the core business will remain the re-insurance of “nuclear” installations but on a wider range. The first ideas of how to expand our market were presented during our Members Meeting in Stockholm on 12 June, 2015.

In order to execute a wider range of activities some restrictions for Membership of our mutual were adapted in our Articles of Association. This took place on 15 September 2015. As a result, our mutual expects to expand its business in the year 2016.

This being my second year as Chairman of the Board I wish to thank the colleague Board members and the Management, as well as all Members for their and your support.


Gert Jan Geertsema
Chairman of the Board of Directors

Corporate Message

NIRA is a mutual reinsurance association, founded in 2008 and headquartered in Luxembourg. NIRA stands for Nuclear Industry Reinsurance Association. All of the Members of the company are involved in the Nuclear sector. NIRA was traditionally an industry captive re-insurer. A fresh approach has been adopted to focus on the reinsurance of nuclear risks with the advantage which has been built over the last 20 years of discipline and an intricate knowledge of underwriting and risk management in this field. Our team's extensive and successful track record means we add genuine value to customers and brokers.

A Strong Underwriting Culture

NIRA has brought a fresh approach to the reinsurance industry with focus, discipline and an intricate knowledge of underwriting and risk management in the area of nuclear risks.

Leading Expertise and Experience

We have the right team in place, underwriting and management professionals with a wealth of experience in nuclear reinsurance.

A Diverse, Balanced Book of Business

Independence gives us the freedom to write the reinsurance business we want to write, a diverse book across key lines of business in different areas of the world. We can respond quickly to market movements and developments.

Industrial & Engineering Reinsurance

NIRA provides a complete range of reinsurance services across all project phases of power plants and other nuclear projects from preconstruction to operation.

Operational Phase

Industrial All Risks (IAR) is a combined “All Risks” insurance for Property Damage (PD) and Machinery Breakdown (MB), combined with or without business interruption.

Treaty Reinsurance

Treaty reinsurance for Property Damage and Third Party Liability.

Corporate Governance Report

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on reinsurance and enable the Mutual to comply with the circular LC14/5 carrying modifications of the circular letter modified 99/6 relative to the annual report of the companies of reinsurance.

As of the 1st January 2016, being the inception date of the Solvency II regime, NIRA's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Luxembourg regulations by the C.A.A.

All the principles are written in the document "Memorandum of good governance". In addition, the Management Committee presents annually to the Board the Report on internal control.

The relevant principles of governance are applied to the mutual in the following way:

The Board

There are currently nine Board Members, five of them are representing the nuclear Members, two members are independent and two are representing the Management.

The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

The Board meets four times a year.

The Management Committee has full authority to undertake the daily management of the Association.

Board Committees

The Board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the membership of the Board and its Advisory Committees, recommendations of the strategy to be applied to the Members of the mutual, approval of the annual operating budget.

In addition, the Board has appointed 4 specific Advisory Committees being the Finance and Investment Advisory Committee, the Audit Committee, the Risk Committee and the Underwriting Committee. These Committees are composed out of representatives of the Members of the Association.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision making process remains in the hands of the Board. Therefore, the existence of the Committees does not replace the ultimate responsibility of the Board.

Board and Committee Papers

Appropriate and timely management information is circulated to Directors and Committee members in good time before the meetings.

Minutes are kept of every meeting. They are signed off by the Chairman after approval.

Annual General Meeting

The General Meeting has the powers vested in it by the Law and by the Articles of Association, without any prejudice to the laws and regulations in force regarding the control of reinsurance enterprises.

Internal Control

The Board is ultimately responsible for the Mutual's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against misstatements or loss.

Control Procedures

The mutual has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include reviews by Management as well as internal and external audits.

Risk Identification

The Management Committee is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements.

Monitoring and Corrective Actions

The Mutual has a Procedures Manual which provides practical guidance for all staff (1st line of defence).

The second line of control performed by the risk management function & compliance function, assures the follow-up of the control of the risks and that corrective actions are taken.

The internal auditor reports to the Audit committee on the effectiveness of the procedures and therefore being the 3rd line of defence.

Report of the Board of Directors to be presented to the Annual General Meeting of 28th April 2016

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA ("the Company") for its seventh year of operations, which started 1st January 2015 and ended on 31st December 2015.

The management of NIRA is responsible for the information contained in the financial statements and other sections of the annual report. The management considers that the financial statements and related information have been prepared in accordance with Luxembourg generally accepted accounting principles. These financial statements include amounts that are based on management's judgment and best estimates.

NIRA maintains a system of internal accounting controls to provide reasonable assurance that our assets are safeguarded against loss from unauthorized use or disposal and that the accounting records provide a reliable basis for the preparation of the financial statements.

Deloitte Audit Société à Responsabilité Limitée, rue de Neudorf 560, 2220 Luxembourg, has been appointed with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. The audit report is also included in the annual report.

Activity

The Company was incorporated in Luxembourg on December 11th, 2008 and published in the official journal "Mémorial C" under reference number 358 date February 18th, 2009.

The agreement from Commissariat aux Assurances was published March 30th, 2009 by "Arrêté Ministériel".

Following the master novation agreement signed between NIRA Ltd, domiciled in the Isle of Man, and the Company, all reinsurance business of NIRA Ltd., were novated into the Company dated July 1st 2009.

For 2015 the overall combined re- insurance capacity Material Damage and Third party liability has increased to € 65.000.000 versus € 60.000.000 previous year's capacity.

The net retention for Material Damage Treaty 2015 was maintained to € 16.000.000 but compared to previous year the quota share placement has been increased from € 2.500.000 in 2014 up to € 5.000.000 in 2015. The Third Party Liability treaty/fac retention remained stable at around € 25.400.000. Facultative material damage Re-insurance support was offered with a net retention of maximum € 41.849.890 in 2014 and € 30.000.000 in 2015. The maximum gross retention in 2015 was € 73.500.000 of which € 60.000.000 were retroceded.

Earned contributions

The contributions written are reflected as net contributions written in Profit and Loss account. Unearned contributions represent the portion of contributions written, which are related to the next accounting years.

Net contributions increased from € 5.578.292 in 2014 to € 5.795.622 in 2015 due to the optimised facultative placements with EMANI on property damage contracts.

Net reinsurance cost for the Property Damage contracts increased from € 112.719 in 2014 to € 399.781 in 2015 because as of 15 September 2014 a new contract has been signed with EMANI to cover material damage in excess of a first layer of € 100 million. NIRA was offering around € 16 million, plus one reinstatement. This placement is retroceded in full to Ace Bermuda and renewed in September 2015.

So therefore only 3 months reinsurance cost in 2014 versus a full year in 2015.

Claims

Provisions are made for the estimated cost of incurred losses on the basis of management estimates, based where appropriate on information from ceding companies, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

The total claim cost for the period is € 1.029.188 versus a profit of € 51.700 in 2014.

This costs is composed out of € 408.375 actual payments of which € 28.108 are in relation to losses occurred in 2015 and an increase in reserve of € 620.814 of which € 200.139 is related to losses occurred in financial year 2015 .

The total claims costs are related to the EMANI session but the variation in reserve also includes an allocation to the IBNR reserve on TPL risks of € 514.432 and change in the ANI ICRP fund of € 339.317

The total outstanding claims reserve at year end amounts to € 9.310.177 versus € 8.689.364 in 2014 and includes the ANI ICRP refund fund for the amount of € 2.800.768 for this year and € 2.461.451 for 2014.

Further the above mentioned reserve includes a provision for claims Incurred But Not Reported (IBNR). As from year 2015, an IBNR policy in view of a 30 years prescription period in nuclear third party liability is applied. Previous years a 10 years prescription period was applied.

For this period an amount of € 514.432 was allocated to the IBNR versus a release in 2014 of € 1.436.831 which brings the total IBNR provision to € 4.208.858 and this compares to previous year's IBNR provision of € 3.694.426.

General expenses

General expenses increased from € 707.500 in 2014 to € 795.540 in 2015 and include acquisition costs on the reinsurance treaties amounting to € 132.817 for 2014 and € 66.510 for 2015. The decrease is related to the EMANI property damage contracts. The administrative expenses increased from € 574.684 in 2014 to € 732.110 in 2015 and are due to professional fees for IT and Solvency II , HR Costs and Corporate Taxes.

Investments

The total book value of the investments amounts to € 73.755.259 and compares with € 69.395.546 previous year and include investments and cash at banks.

The deposit held with ANI amounting to € 3.187.456 for 2015 and € 2.968.095 for 2014 is not included in this chapter on investments.

The market value of the investments and cash at banks is € 76.563.328 and compares to € 71.815.548 in 2014. All these investments are recorded at their purchase value and the unrealized gains of € 2.808.068 are not recorded in the income statement for the year. The weighted actual return on investments for 2015 is 1,17%.

The investment strategy at year end is 61% liquidities, 34% long term investments and 5% equity resulting in a net financial income of € 822.616 and compare to 44% liquidities and 51% long term investments and 5% equity previous year with a net income of € 1.667.734. No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options or swaps, were bought.

Credit rating of the investment product as at 31 December 2015

The overall weighted average credit rating of the Money Market investment funds, the corporate bonds investment funds and the Deposits and cash is A, broken down as follows:

AAA 9,79% • AA+ 1,81% • AA 2,89% • AA- 4,19% • A+ 17,7% • A 30,63% • A- 6,17% • BBB+ 5,47% • BBB 5,08% • BBB- 2,84% • BB+ 0,58% • BB 0,46% • BB- 0,37% • B+ 0,08% • B 0,03% • Cash 0,5% • NR 11,41%

Country Allocation and duration as at 31 December 2015

The duration of the Money Market investment funds, the corporate bonds investment funds and the Deposits and cash is 1,74 year .

The country allocation of the total investment portfolio is split as follows:

AT 0,89% • BE 27,27% • CH 2,74% • CI 0,21% • DE 11,13% • DK 0,44% • ES 2,94% • FI 0,42% • FR 11,25% • GB 4,62% • IE 0,48% • IT 3,19% • LU 0,29% • NL 11,75% • NO 0,6% • PL 0,2% • PT 0,13% • SE 1,35% • Europe others 2,05% • US 11,08% • CA 0,35% • AU 1,07% • NZ 0,03% • MX 0,32% • Latin America others 0,08% • CN 1,36% • JP 0,17% • Asia others 0,08% • AE 0,36% • Africa/Middle East others 0,28% • Supranational 2,44% • Cash 0,43% •

Result

The € 4.338.726 surplus before allocation and after taxes for 2015 compares with € 6.452.897 surplus in 2014.

This amount will be allocated entirely to the equalization provision in accordance with the regulations applicable to reinsurance companies (The Grand Ducal Regulation of 5 December 2007 and article 99 of the modified law of 6 December 1991.)

Based on the current regulation, the maximum theoretical target of the equalisation reserve amount should be € 101.007.921 which is the average earned premiums over the last 5 years multiplied by 17,5. At year end the reserve amounts to € 30.296.081 or 29,99% of the target amount.

Following the above mentioned regulation the Board of Directors proposes to the Annual General Meeting that no surplus be allocated to the guarantee fund.

Guarantee Fund

As at December 31st, 2015 the subscribed capital amounts to € 3.600.000 and the additional contributions of € 33.240.002 constitute together a fund of € 36.840.002, if you agree to our proposal.

The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity, will be € 67.136.082.

Others

No research and development activities incurred.

NIRA does not face abnormal price, credit or liquidity risks.

NIRA has not purchased any of its own shares during the year and does not hold any own shares at this time.


NIRA does not have any branches or subsidiaries.

No event, nor decisions of any importance that could have any influence on the continuation of the activities of NIRA have occurred subsequently to year-end. Based on the elements in our possession, NIRA should continue a positive development in 2016.

Recommendations

We propose that you:

- Approve the annual accounts as at December 31st, 2015 as presented;
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended;
- Grant discharge to the Statutory Auditor;
- Appoint a Statutory Auditor.



Gert Jan Geertsema
Chairman of the Board of Directors
On behalf of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Members of
Nuclear Industry Reinsurance Association,
Association d'Assurance Mutuelle
14, Syrdallstrooss
L-6850 Mantemach

Report on the annual accounts

Following our appointment by the General Meeting of Members dated April 30, 2015, we have audited the accompanying annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelle, which comprise the balance sheet as at December 31, 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

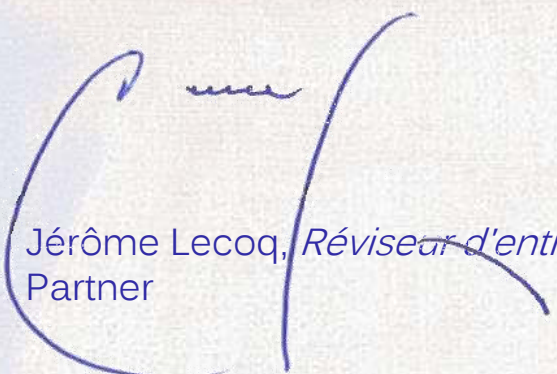
Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelle as of December 31, 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*



Jérôme Lecoq, *Réviseur d'entreprises agréé*
Partner

March 22, 2016

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
BALANCE SHEET
As at December 31, 2015
(expressed in EUR)

ASSETS	Note(s)	2015	2014
Investments	3.2, 4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		49.219.960,42	52.739.353,12
Debt securities and other fixed income transferable securities		5.000.000,00	0,00
Deposits with credit institutions		11.231.623,01	7.231.821,36
		<u>65.451.583,43</u>	<u>59.971.174,48</u>
Deposits with ceding undertakings		3.187.455,64	2.968.094,95
Reinsurers' share of the technical provision			
Provision for unearned premiums	3.6	682.001,91	273.746,04
		<u>682.001,91</u>	<u>273.746,04</u>
Debtors			
Debtors arising out of reinsurance operations	3.3	1.751.685,72	837.852,99
Other debtors		31.263,95	62.121,62
		<u>1.782.949,67</u>	<u>899.974,61</u>
Other assets			
Tangible assets and stocks	3.4	84.064,39	73.017,57
Cash at bank and in hand		8.303.675,61	9.424.371,83
		<u>8.387.740,00</u>	<u>9.497.389,40</u>
Prepayments and accrued income			
Accrued interest and rent		5.911,73	42.533,86
Deferred acquisition costs		27.415,34	33.663,98
Other prepayments and accrued income		40.885,53	4.124,56
		<u>74.212,60</u>	<u>80.322,40</u>
TOTAL ASSETS		79.565.943,25	73.690.701,88

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

Association d'Assurance Mutuelle

BALANCE SHEET

As at December 31, 2015

(expressed in EUR)

- continued -

LIABILITIES	Note(s)	2015	2014
Capital and reserves	5		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		33.240.002,33	33.240.002,33
		36.840.002,33	36.840.002,33
Technical provisions	3.6		
Provision for unearned premiums		2.239.442,98	1.528.914,90
Claims outstanding	6	9.310.177,28	8.689.363,65
Equalisation provision		30.296.080,89	25.957.355,18
		41.845.701,15	36.175.633,73
Creditors	3.3, 7		
Creditors arising out of reinsurance operations		677.674,90	455.057,84
Other creditors, including tax and social security		130.940,38	171.315,93
		808.615,28	626.373,77
Accruals and deferred income		71.624,49	48.692,05
TOTAL LIABILITIES		79.565.943,25	73.690.701,88

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
PROFIT AND LOSS ACCOUNT
For the year ended December 31, 2015
(expressed in EUR)

	<u>Note(s)</u>	<u>2015</u>	<u>2014</u>
TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS			
Earned premiums			
Gross premiums written	8	6.506.150,48	5.771.801,02
Outward reinsurance premiums		(808.036,79)	(386.465,00)
Change in the gross provision for unearned premiums		(710.528,08)	(193.508,82)
Change in the provision for unearned premiums, reinsurers' share		408.255,87	273.746,04
		<u>5.395.841,48</u>	<u>5.465.573,24</u>
Allocated investment return transferred from the non-technical account	13	822.616,32	1.667.734,77
Claims incurred, net of reinsurance			
Claims paid:			
Gross amount		(408.374,53)	(2.942.038,64)
Change in the provision for claims:			
Gross amount		(620.813,63)	2.993.738,93
		<u>(1.029.188,16)</u>	<u>51.700,29</u>
Net operating expenses			
Acquisition costs		(66.510,39)	(132.189,17)
Change in deferred acquisition costs		(6.248,64)	(10.289,02)
Administrative expenses	12	(732.110,43)	(574.683,66)
Reinsurance commissions and profit participation		9.328,94	9.661,00
		<u>(795.540,52)</u>	<u>(707.500,85)</u>
Change in the equalisation provision		(4.338.725,71)	(6.452.896,52)
Balance on the technical account for non-life insurance business		55.003,41	24.610,93

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
PROFIT AND LOSS ACCOUNT
For the year ended December 31, 2015
(expressed in EUR)

- continued -

	<u>Note(s)</u>	<u>2015</u>	<u>2014</u>
NON-TECHNICAL ACCOUNT			
Balance on the technical account for non-life insurance business		55.003,41	24.610,93
Investment income		858.726,32	1.690.683,11
Income from other investments		683.188,74	725.208,43
Gains on the realisation of investments		175.537,58	965.474,68
Investment charges		(36.110,00)	(22.948,34)
Investment management charges, including interest		(32.484,03)	(22.948,34)
Losses on the realisation of investments		(3.625,97)	0,00
Allocated investment return transferred from the non-technical account	13	(822.616,32)	(1.667.734,77)
Tax on profit on ordinary activities		(19.585,59)	(5.537,50)
Profit on ordinary activities after tax		35.417,82	19.073,43
Other taxes not shown under the preceding items	9	(35.417,82)	(19.073,43)
Profit or loss for the financial year		<u>0,00</u>	<u>0,00</u>

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
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NOTE 1 – GENERAL

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION, Association d'Assurance Mutuelle ("the Company"), was incorporated in Luxembourg as a "mutual association" on December 11, 2008 and is governed by the Law of December 7, 2015 on the insurance sector and the Grand-Ducal Regulation dated December 5, 2007 issued by the Commissariat aux Assurances.

The Company's accounting year begins January 1 and ends December 31 each year.

The object of the Company is to carry out reinsurance activities, excluding all direct insurance operations in the Grand-Duchy of Luxembourg as well as in any other country in which the Company has members and/or where these members have their activities.

NOTE 2 – PRESENTATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in conformity with the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings, and with the accounting policies generally accepted within the insurance and reinsurance industry in Luxembourg. The accounting policies and the valuation rules are, except for those which are imposed by the law or the Commissariat aux Assurances, determined and applied by the Board of Directors.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
As at December 31, 2015

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NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are as follows:

3.1. Foreign currency translation

The Company maintains its accounts in Euro ("EUR") and the annual accounts are expressed in this currency.

The accounts denominated in foreign currency of the profit and loss account are converted in EUR on a monthly basis using the exchange rate in force at the last day of the previous month.

The accounts denominated in foreign currency of the balance sheet are converted in EUR using exchange rate as of the balance sheet closing date.

Exchange gains and losses are recorded in the profit or loss account.

3.2. Investments

Shares and other variable-yield transferable securities

Shares and other variable-yield transferable securities are valued at their acquisition costs. The incidental costs are expensed as incurred. Unrealized losses are recorded in the profit and loss account if there will be a permanent reduction in the value of these securities. In this case, the security will be depreciated to its lower value.

Permanent impairments are determined based on the two following conditions:

- Market value must be below book value for a period uninterrupted of 12 months;
- And the decrease in market value should be at least equal to 20% of the book value at the end of that period.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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As at December 31, 2015

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Debt securities and other fixed income transferable securities

Investments in interest bearing bonds are valued at their acquisition costs. The incidental costs are expensed as incurred. The differences between acquisition cost and redemption values of the securities are amortised pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortised to the profit and loss account on a straight line basis from the date of acquisition to the date of maturity of the bond.

Unless the intention of the Company is to sell the securities in the short term, no adjustments are booked to reflect the market value, if this market value is below the net book value determined according the amortization method described above.

In case of permanent reduction in value, fixed income securities shall be subject to value adjustments in the profit and loss account when the reimbursement at redemption date is partly or fully uncertain or compromised.

Deposits with credit institutions and with ceding undertakings

Deposits are stated at their nominal value at year-end.

3.3. Debtors and creditors

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally unrecoverable. The value adjustments are not maintained when the reasons for which they were made cease to apply.

Creditors are recorded under liabilities at their reimbursement value. If the amount paid exceeds the initial amount, the resulting difference is reflected in the profit and loss account at the date of settlement.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
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3.4. Tangible assets

Due to usage and/or obsolescence, assets are amortised on a linear basis. Current amortization percentages for tangible assets are as follows:

Installations, machinery and IT	33,33% / Year
Software	20% or 33,33% / Year
Office furniture	10% / Year
Vehicles	20% / Year

3.5. Deferred acquisition costs

Acquisition costs related to non-life insurance policies are deferred according to a method compatible with that used for unearned premiums.

3.6. Technical provisions

The Company constitutes technical provisions based on contributions relating to its active, non expired outstanding treaties at the end of the accounting year.

The provision for unearned premiums consists of the amount representing the part of the premium which is to be allocated to the subsequent financial year(s). It is computed on a contract by contract basis. The same principles apply to the reinsurer's share in the provision for unearned premiums.

Provisions for claims outstanding represents the total estimated cost of all claims arising from events which have occurred up to the end of the accounting year, whether reported or not, less amounts already paid in respect of such claims. Every claim is handled individually which results in individual claim provisions. The estimated cost of every incurred loss is calculated based on information received from ceding companies, nuclear pools and claim adjusters.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
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A provision for claims incurred but not reported ("IBNR") is constituted with respect to the prevailing Conventions related to Third Party Liability of Nuclear Energy which require that actions for claims arriving out of a nuclear incident can be initiated within ten years. In view of the forthcoming revision of these Conventions and the prolongation of this period to 30 years, the Board of Directors, during the year ended December 31, 2014, has adopted to change the ten year IBNR policy to a thirty year IBNR reserving policy.

The change ratified by the Board of Directors has become effective for financial years starting on January 1, 2015 and onwards.

The equalisation provision comprises amounts set aside in accordance with legal and administrative requirements to equalise fluctuations in loss ratios in future years or to provide for special risks.

3.7. Taxes

Taxes are accounted for on an accrual basis.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
As at December 31, 2015
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NOTE 4 – INVESTMENTS

The actual value of investments is as follows:

EUR	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Shares and other variable-yield transferable securities and units in unit trusts	57.028.029,29	55.159.354,46
Debt securities and other fixed income transferable securities	5.000.000,00	0,00
Deposits with credit institutions	11.231.623,01	7.231.821,36
Deposits with ceding undertakings	3.187.455,64	2.968.094,95
	<u>76.447.107,94</u>	<u>65.359.270,77</u>

As at December 31, 2015, the Board of Directors of the Company believes that there is no permanent impairment on shares and other variable-yield securities and units in unit trusts and on debt securities and other fixed income transferable securities.

As at December 31, 2015, the actual value of debt securities and other fixed income transferable securities corresponds to the book value and nominal value of these investments. As such, there are no premiums or discounts amortised in the profit and loss account for the year ended December 31, 2015.

As at December 31, 2015, the deposits with ceding undertakings consist of a premium deposit retained by the ceding company accumulated in virtue of an existing agreement since its date of inception and which amounts to EUR 3.187.455,64 (EUR 2.968.094,95 in 2014).

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
As at December 31, 2015

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This premium deposit consists of a part of the contractual premiums attributed to the Company which are retained by the ceding undertaking and allocated to a "Reserve Fund" for the sole purpose to pay loss expenses. These premiums allocated to the "Reserve Fund" are held for 10 years, after which a portion is periodically returned to policy holders based upon historical loss experience.

NOTE 5 – SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS

The subscribed capital of the Company amounts to EUR 3.600.000 and has been contributed in 2009 for EUR 3.200.000 by 3 members (EMANI, ELINI, NIRA Ltd). As of the moment of the final liquidation of NIRA Ltd, a reinsurance company domiciled in the Isle of Man and liquidated on June 28, 2010, the NIRA Ltd's shareholders became automatically members of the Company as successor in title, in the same proportions as they were shareholders within NIRA Ltd. At that same moment, EMANI and ELINI had no longer a voting right.

At the Annual General Meetings of Members dated April 25, 2013 and April 24, 2014, it was agreed to reallocate each time an amount of EUR 200.000 of the equivalent funds to the subscribed capital in order to align the subscribed capital of the Company with the actual requirements in terms of minimum guarantee fund following the Grand-Ducal Regulation of December 5, 2007, as amended.

The equivalent funds amounting to EUR 33.240.002,33 consist in additional amounts which were contributed by NIRA Ltd (in name of its 36 shareholders) and the Company's new voting members, each being authorised with 1 voting right.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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As at December 31, 2015, the subscribed capital and the equivalent funds can be split between the members as follows:

	Allocation as at December 31, 2015 EUR	Allocation as at December 31, 2014 EUR
AREVA NC (formerly Cogema S.A.)	3.580.116	3.580.116
Axpo Power AG	2.746.281	2.746.281
Axpo Trading AG (formerly EGL AG)	78.882	78.882
B.K.W. Energy AG	1.356.040	1.356.040
Belgoprocess NV	14.195	14.195
British Energy Ltd	10.000	10.000
Bruce Power LP	14.122	14.122
Centrales Nucléaires en Participation S.A. (c/o Alpiq Suisse S.A)	366.279	366.279
CEZ	10.000	10.000
E.ON Kernkraft GmbH	3.249.105	3.249.105
EDF	44.424	44.424
Elektriciteits-Produktiemaatschappij Zuid- Nederland (EPZ) N.V	759.881	759.881
EnbW Kernkraft GmbH (formerly GKW Neckar GmbH)	768.634	768.634
EnBW Energy Baden Württemberg AG	1.021.498	1.021.498
Energy Future Holding corp.	10.000	10.000
Eskom Holding Ltd	348.774	348.774
Eurodif Production S.A.	3.077.329	3.077.329
FBFC	608.552	608.552
Forsmarks Kraftgrupp AB	922.316	922.316
Fortum Power & Heat Oy	87.488	87.488

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTES TO THE ACCOUNTS
As at December 31, 2015

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	Allocation as at December 31, 2015 EUR	Allocation as at December 31, 2014 EUR
G.K.N. BV	958.429	958.429
GNS (Gesellschaft für Nuklear-Service) mBH	15.556	15.556
Kernkraftwerk Leibstadt A.G. (KKL)	1.799.399	1.799.399
Kernkraftwerk Obrigheim GmbH	280.446	280.446
Kernkraftwk Gösgen Däniken A.G.	2.084.699	2.084.699
O.K.G. Aktiebolag	2.720.060	2.720.060
Ontario Power Generation (OPG)	12.761	12.761
MVM Paks Nuclear Power Plant Ltd	360.946	360.946
New Brunswick Power Nuclear Corporation	10.000	10.000
R.W.E. Power AG	3.301.031	3.301.031
Ringhals AB	1.323.715	1.323.715
SCK-CEN	15.813	15.813
SKB	10.000	10.000
Slovenske Elektrarne AS	96.645	96.645
Socatri S.à r.l.	87.488	87.488
Studsvik AB	13.607	13.607
SVAFO AB	5.000	5.000
Sydkraft Nuclear Power AB	1.689.221	1.689.221
Teollisuuden Voima Oyj	2.343.742	2.343.742
Union Electric Company d/b/a Ameren Missouri	10.000	10.000
URENCO Ltd	13.202	13.202
Vattenfall Europe Nuclear Energy GmbH	595.056	595.056
Zwischenlager Wurenlingen AG (Zwilag)	19.270	19.270
	36.840.002	36.840.002

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTE 6 – CLAIMS OUTSTANDING

Claims outstanding include a provision of EUR 4.208.858 for claims incurred but not reported in virtue of the IBNR reserving policy applicable as at December 31, 2015. In application of the IBNR reserving policy, no reversal with respect to the provision for claims incurred but not reported has been made in the profit and loss account for the year ended December 31, 2015 (2014: EUR 1.476.302).

NOTE 7 – CREDITORS

All creditors become due and payable in less than one year.

NOTE 8 – GROSS PREMIUMS WRITTEN

Gross premiums written by the Company relate to non-life business only and for the classes Material Damage and Third Party Liability.

NOTE 9 – TAXATION

The Company is subject to income and net worth taxes applicable in the Grand-Duchy of Luxembourg to *Sociétés Anonymes*.

Taxes other than income taxes are disclosed under the caption "other taxes not shown under the preceding items" in the profit and loss account.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTE 10 – PERSONNEL EMPLOYED DURING THE YEAR

For the years 2015 and 2014, the Company did employ five part time staff members and one full time staff member.

The total staff costs with respect to the financial year may be broken down as follows:

	2015	2014
	EUR	EUR
Wages and salaries	282.901,77	262.811,71
Social security costs	70.664,79	63.732,89
Pension scheme	36.425,99	32.234,87
Others	3.018,56	1.834,79
Total	393.011,11	360.614,26

NOTE 11 – REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS

The Company did grant remuneration to members of its supervisory bodies for the services rendered during the year amounting to EUR 28.125 (2014: 18.750). The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2015.

For the year ended December 31, 2015, the Company did not grant advances or credits to the members of its supervisory bodies.

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NOTE 12 – FEES PAYABLE TO THE AUDIT FIRM

Fees charged to the Company by the *réviseur d'entreprises agréé* and its respective entire network is analysed as follows:

	2015	2014
	EUR	EUR
Annual audit fees (VAT excl.)	15.375,00	15.375,00
	<u>15.375,00</u>	<u>15.375,00</u>

Fees are shown on an accrual basis for the financial year.

For the year ended December 31, 2015, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular Letter 09/2 issued by the Commissariat aux Assurances, as amended.

NOTE 13 – ALLOCATED INVESTMENT RETURN

In accordance with Article 55 of the modified Law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the whole investment income, net of corresponding charges, to the non-life insurance technical account.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTE 14 – OTHER REGULATORY REQUIREMENTS

At all times, the Company must have an adequate solvency margin to cover the requirements in respect of the Grand-Ducal regulation dated December 5, 2007, specifying the conditions governing authorisation and pursuit of reinsurance business in Luxembourg, as amended.

Following the prescribed calculation, the solvency margin requirements applicable to the Company as at December 31, 2015 amounts to EUR 3.600.000.

NOTE 15 – OFF-BALANCE SHEET COMMITMENTS

As at December 31, 2015, an amount of EUR 1.000.000 on a cash at bank account is given as a guarantee in favour of one ceding undertaking by way of a Letter of Credit.

NOTE 16 – PARENT COMPANY

As there is no other mutual/company entitled to, de jure or de facto, exert a deciding influence on the appointment of the majority of the directors or on the orientation of the management, the Company cannot be considered as a subsidiary of any other entity and consequently is not included into consolidated financial statements and is exempt to prepare consolidated financial statements under Luxembourg legislation.

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